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The Montana Defense Procurement Technical Assistance program grant.

Chester Walker
The University of Montana

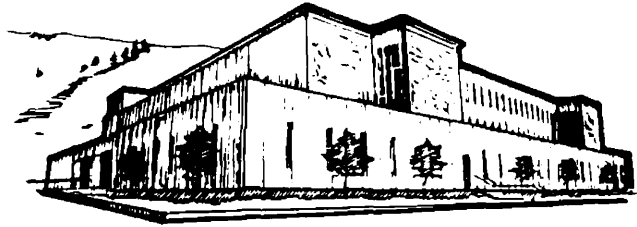
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University of
Montana

"The Montana Defense Procurement Technical
Assistance Program Grant"

By

Chester Walker

B. S., Business Administration

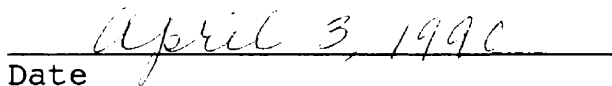
University of Montana, 1988

Presented in partial fulfillment of the requirements
for the degree of
Master of Public Administration
University of Montana
1990

Approved by


Chairman, Board of Examiners


Dean, Graduate School


Date

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A special thanks to my wife Becky for her continual help and support through my collegiate career. Last but not least, thanks to the many people at the Montana Department of Commerce for the opportunity to make this project a reality.

TABLE OF CONTENTS

Table of Contents	i
Preface	ii
Grant Objectives	iii
Grant Form	iv
Grant Funding	iv
Grant Administration	v
Administrative Obstacles	vi
Local Community Development	vii
Additonal Grant Support Search	viii
Suggestions & Criticism	ix
Small Business Bonding	x
Intertwined Grant Developments	xi
Grant Cover Sheet	xiii
Montana Defense Procurement Technical Assistance	
Grant Proposal	1
Grant Table of Contents	2
Grant Award Cover Sheet	50
Grant Award Contract	51
Bibliography	57

PREFACE:

Economic growth in Montana has relied on resource exploitation of the mining, timber and agricultural industries. Major business development has been linked and limited to these industries, and indeed the state's economic growth will continue to hinge its ability to export these resources. Nevertheless, beyond resource dependency Montana communities can develop government contracting as an alternative.

Business development and assistance in Montana has been hindered by distance. The Montana Department of Commerce, Small Business Development Center (SBDC) has learned through past programs how to provide services to remote as well as urban businesses. SBDC and local communities have shown they can work together to develop a better business environment and produce new opportunities.

This paper involves one possible new business development direction. The Department of Defense (DoD), Defense Logistics Agency (DLA) contracts with businesses across the nation for services and products. The DoD awards assistance grants for state-wide programs. On its own, the SBDC has limited resources for any additional program developments. Understanding such state funding problems, the DoD wishes to assist states in developing programs which encourage businesses to participate in federal contracting.

A grant competition is solicited each year by the DoD to establish new Procurement Technical Assistance (PTA) program sites.

Furthermore, the grant program would create new and retain existing jobs by encouraging existing manufacturers, services and construction contractors, as well as newly recruited businesses to the state, to bid on and contract with the DoD.

My professional paper concerns compilation of the Montana PTA grant proposal written during my practicum with the Montana Department of Commerce. It is, therefore, essentially a feasibility study, proposing a state-wide network of Procurement Technical Assistance offices. These offices would assist the DoD to expand their industrial base and increase competition in the private sector for DoD's requirements of goods and services.

GRANT OBJECTIVES:

The overall objective of the PTA program is to establish and retain companies as current-bidding, new-bidding and new-products-bid sources. Other objectives are to assist firms with management enhancement of their existing facilities in terms of establishing or improving cost accounting, quality control, safety, financial packaging, manufacturing techniques, production capabilities, international exporting potential, research and development, technology transfer and general management.

GRANT FORM:

The grant proposal necessarily follows the form required by the DoD. Usually, the DoD solicits proposals, outlines the grant guidelines and sets a deadline for submittal. In this case, the solicitation occurred in July of 1989. My internship preceded all these events and ended in April of 1989. Therefore, the proposal was developed in the blind, based on previous DoD solicitation expectations.

The nature and timing of the proposal created unique difficulties. Where do you start without a solicitation? On the recommendations of my supervisors, DoD representatives and other successful grant program directors, I referred to previous grant proposals. I reviewed the issues and how they were presented successfully. The uniqueness of other grants prevents their direct use as the Montana grant. Nevertheless, studying successful models was a good starting point.

As a follow-up, I conducted detailed research which involved interviews (telephone or in person). These included the regional DoD Officer, other state PTA officials, military personnel and Small Business Administration representatives.

GRANT FUNDING:

Grant funds are awarded based on a matching principle. The dollar-matching requirement for the PTA grant is fifty cents actual cash plus fifty cents worth of in-kind

services. DoD grant solicitation regulations identify which in-kind services can be combined with cash to receive one DoD dollar.

The design of a grant depends on the make-up of the financial backers and participants. The Montana PTA proposal and its funding is unique from other grants. Past grants relied solely on states' legislatures for matching funds, but the SBDC was unable to receive state financial support. In this proposal, funding is based on local community contributions of cash and services linked with services from the SBDC.

GRANT ADMINISTRATION:

Other PTA programs are administered by state governments. Montana's proposal delegates duties and resources to communities according to their matching contributions. Delegation builds a stronger working relationship.

Montana communities historically have developed according to their own plans and preferences, rather than some state-wide plan. The PTA program brings communities together creating a shared business development direction. I term this development "Network Seeding." Using the grant to seed this interactive network, communities can develop other business opportunities available on a state-wide basis.

ADMINISTRATIVE OBSTACLES:

Giving more self-determination to communities and businesses is an approach consistent with a major goal for Montana's Governor Stephens. This was important because, before the SBDC could apply for the PTA grant, it needed approval from the Governor and his Director of the Department of Commerce, Michael Letson. Mr. Letson is appointed by the governor and serves his policy.

When the grant was first presented for Director Letson's approval, attempts to enlarge the SBDC department or increase expenditures were rejected. It is difficult to win approval to writing a grant proposal without legislative, political and department director support. Convincing Mr. Letson, the director, of the benefits to businesses and the state finally won his approval to write the proposal. However, to satisfy a non-expansion policy he agreed the grant had to minimize state involvement by becoming a "state sponsored pass-through" to communities.

Although it would have been a more direct approach, communities are not permitted to apply for PTA grants. Only state governments can apply for these grants. States can, however, pass grant funds back to contributing communities. Montana's perspective is that this minimizes costs of another state-administered program. Still, the state's role is to be accountable to the DoD for a state-wide PTA program and provide advisory assistance to community PTA offices.

LOCAL COMMUNITY DEVELOPMENT:

The grant pass-through scenario repays communities for their matching funds. It is natural that communities should want to control their own funds and development. Pass-through encourages community self-determination in the PTA program.

Meetings were set up to establish and "seed" a network of local community development groups and private sector businesses. Detailed answer information was provided in group meetings. Some people needed help filling out budget support proposals and others argued for alternative program offerings. More powerful computer resources were discussed. Butte representatives thought Montana should develop their own contract bid-matching query program using the "Dialog" database service to research contracts authorized each week by the DoD. This option would save the cost of contracting services from North Dakota as planned. Still, someone would have to design and build a "Dialog" program and pay for it. This option is currently being explored with others while North Dakota provides the bid-matching process.

A one-week deadline was set for local PTA budget submittal after the group meetings. Total tabulation ended with a \$60,000 dollar short-fall in the match. The matching goal was \$150,000 from the DoD. The grant was in trouble if the state could not find financing from other sources. The grant size hinged on how much was matched.

ADDITIONAL GRANT SUPPORT SEARCH:

JTPA:

Funding was sought from the Job Training and Partnership Act (JTPA), a division within the Montana Department of Labor. Development of new jobs through the grant meant employers would be able to work with JTPA and it program goals. Unfortunately, JTPA had no funds to back our mutual department interests.

NAF:

The Northwest Area Foundation (NAF) was courted for funding. The private foundation is interested in business and economic development in the northwest United States. After exhaustive efforts to prove the merits of the grant, the board members thought they could provide funds. However, they discovered that their charter restricts funding to private development, not state programs. Accordingly, the funding was rejected.

It was becoming evident that finding money for the grant in Montana was a real challenge. A financial sponsor for the short-fall would have to be someone big. I made an appointment with the Montana Power Company (MPC).

MPC & USWC:

MPC employs an economic development specialist for Montana. We discussed the grant and its benefits to the state's economy and MPC. They expressed their interest, committed support and encouraged me to write the grant.

The dynamics of MPC support teamed them with U.S. West Communications (USWC) to satisfy the matching cash needed for the grant.

MPC generally works in tandem with USWC donating equipment or funds to defray obligations of this nature. MPC worked out donation amounts with USWC on the PTA grant. Both companies stand to profit by state growth from the projected DoD contract awards from the grant. Without MPC and USWC support, the prospects for a Montana PTA grant would have been doubtful.

MAFB:

Another critical development for grant support was establishing a relationship with Malmstrom Air Force Base (MAFB) in Great Falls. Local DoD contracting is limited to the MAFB installation. The bad news is the DoD has closed several Montana military bases, leaving only MAFB. The good news is the contracting officer needs new business sources and thus supported the grant. MAFB is currently expanding its capabilities, being assigned an additional new tactical fighter wing in 1990. They are in need of construction contracts and services of every description to prepare the base for the new deployment.

SUGGESTIONS & CRITICISM:

After consulting with DoD representatives and talking with other state grant directors, I became aware of past problems in grants that need attention. One problem was

solved by detailing an implementation schedule in the proposal, to assist the grant director. The schedule reinforces clarity in the PTA program. Asking for feed-back and advice from other PTA directors improved the substance of the proposal.

Another important issue discovered while writing the grant was the importance of business bonding. Past grants have not covered contract award bonding because the DoD did not require PTA programs to address bonding. Yet without bonding, a contract can not be awarded. Most businesses do not know how to obtain specialized bonding, much less afford it. Bonding is an over-looked management issue and budgeting cost.

SMALL BUSINESS BONDING:

Although bonding is not covered in the grant as an issue, the PTA program needs to deal with it. Other programs have experienced problems with businesses that can not qualify for bonding. In Montana, there was a solution to the bonding problem.

The Chief Executive Officer of Montana Naturals Intl., Inc. of Arlee, Montana was willing to help Montana small businesses obtain bonding. Bonding is available through a collection of businesses in the northwest who finance necessary bonding by pooling their equity as collateral. A businessman can "rent" their equity as collateral for a low interest fee.

Businesses in Montana can earn an income from their equity. New businesses are generally cash poor but equity rich. They look good on paper but tangible cash is scarce. Companies can have millions in assets that only earn money indirectly, through depreciation against tax liabilities. As businesses grow from contract awards, they can rent their equity to other businesses for bond backing. Renting equity is a unique way to increase a company's cash income. In addition, bond interest income is tax-free when it is invested in qualified redevelopment bonds of this nature.¹

Bond underwriters, as a consortium, spread their losses equally against the total interest income before profits are distributed. As with any investment, close analysis of the project and the persons being bonded delimit loss-risk. Through a consortium, bond backers are not solely in jeopardy of failing from a bond default.

INTERTWINED GRANT DEVELOPMENTS:

While working on the grant proposal, my other duties with the Department of Commerce were presenting seminars around the state on "Military Procurement Contracting." Small business personnel learned how to interact with State, Forest Service and DoD contracting. These experiences helped me understand contracting expectations at all levels

¹Commerce Clearing House, United States Master Tax Guide, (Chicago: Commerce Clearing House, 1989), p. 190.

of government. State and Forest Service contracting service will be available to businesses in the PTA program through the SBDC.

There is more to a grant than the actual writing of the proposal. You must understand the environment the program is expected to operate in. It is important to identify constraints and ask for feedback and advice. You also need alternative strategies which give you a flexibility to succeed.

In conclusion, this chapter has explained the business and program environment, dealt with constraints, and employed alternative strategies to obtain funding. Additionally, the preface has identified new growth opportunities made available through the grant program.

The subsequent text is the grant proposal and budget as presented to the DoD. \$113,349 dollars was awarded without amendment to the Montana Department of Commerce on September 9, 1989. Combined with the matching amount the total program value is \$245,106 dollars. The program is currently being implemented as scheduled.

Grant Cover Sheet:

The "Montana Defense Procurement Technical Assistance Program" grant structure follows requirements set by the Defense Logistics Agency. The proposal was compiled for a practical administrative situation. The grant includes forms and supporting documentation for continuity.

APPLICATION FOR
FEDERAL ASSISTANCE

1. TYPE OF SUBMISSION: Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction		2. DATE SUBMITTED 5/19/89	Applicant Identifier
		3. DATE RECEIVED BY STATE	State Application Identifier MT 890515-582-X
		4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier

5. APPLICANT INFORMATION	
Legal Name Department of Commerce	Organizational Unit State of Montana
Address (give city, county, state, and zip code): 1424 Ninth Avenue Helena, MT 59620	Name and telephone number of the person to be contacted on matters involving this application (give area code): Robert A. Heffner (406) 444-3923

6. EMPLOYER IDENTIFICATION NUMBER (EIN) <div style="border: 1px solid black; padding: 2px; display: inline-block;"> 81 - 0302402 </div>	7. TYPE OF APPLICANT: (enter appropriate letter in box) A
8. TYPE OF APPLICATION: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es): <input type="checkbox"/> <input type="checkbox"/> A. Increase Award B. Decrease Award C. Increase Duration D. Decrease Duration Other (specify):	A. State H. Independent School Dist. B. County I. State Controlled Institution of Higher Learning C. Municipal J. Private University D. Township K. Indian Tribe E. Interstate L. Individual F. Intermunicipal M. Profit Organization G. Special District N. Other (Specify):
9. NAME OF FEDERAL AGENCY: Defense Logistics Agency	

10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER <div style="border: 1px solid black; padding: 2px; display: inline-block;"> 12 - 002 </div>	11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: Montana Defense Procurement Technical Assistance Program
12. AREAS AFFECTED BY PROJECT (COUNTY, STATES, ETC.): State of Montana	

13. PROPOSED PROJECT:		14. CONGRESSIONAL DISTRICTS OF:	
Start Date 10/1/89	Ending Date 9/30/90	a. Applicant Montana	b. Project Montana

15. ESTIMATED FUNDING:			16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS? a. YES. THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON: DATE <u>5/11/89</u> b. NO. <input type="checkbox"/> PROGRAM IS NOT COVERED BY E.O. 12372 <input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW
a. Federal	\$ 113,349	.00	
b. Applicant	\$ 27,257	.00	
c. State (Applicant)	\$ -0-	.00	
d. Local	\$ -0-	.00	
e. Other LDOs, Private	\$ 94,500	.00	
f. Program Income	\$ 10,000	.00	
g. TOTAL			17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT? <input type="checkbox"/> Yes If "Yes," attach an explanation. <input type="checkbox"/> No
\$ 245,106			

18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT, THE DOCUMENT HAS BEEN ONLY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED		
a. Typed Name of Authorized Representative Michael Letson	b. Title Director	c. Telephone number (406) 444-3797
d. Signature of Authorized Representative 		e. Date Signed

TABLE OF CONTENTS

Standard Form 424	1
Table of Contents	2
SECTION 1. Summary Data Sheet	3
SECTION 2. Program Description	7
A. INTRODUCTION	7
B. QUALIFICATION OF PERSONNEL	8
1. Job Descriptions	8
2. Organization Chart	11
3. Authority of Program Officer	13
C. QUALITY OF PTA PROGRAM	13
1. Goals and Objectives	13
2. Networking	14
a. Introduction	14
b. Primary Network	15
c. Secondary Network	16
d. Publicity	17
3. Counseling Tools	17
a. Subscriptions and Publications	17
b. Computer Databases	19
c. Conferences and Workshops	20
d. DoD Conventions	20
e. Problem Resolution	20
4. Implementation Procedures and Plans	20
5. Fees and Service Charges	28
D. NUMBER OF CLIENTS	28
1. Geographical Area Serviced	28
2. Size and Socio-Economic Status of Potential Clients ..	28
E. AMOUNT AND PERCENTAGE OF COSTS TO BE SHARED BY DoD	30
F. LEVEL OF UNEMPLOYMENT	30
1. Number of Civil Jurisdictions	30
2. Number of Civil Jurisdictions Located in Distressed Areas	30
3. Summary of State Unemployment	31
G. SUBCONTRACTING	31
SECTION 3. Drug Free Workplace Certification and Contingent Fee Representation and Agreement Clause	34
SECTION 4. Cost and Budget Data	36

(3). Section 1 - Summary Data Sheet.

Complete this section using information contained in other sections of the proposal. This section should be completed after the other sections of the proposal have been completed.

1. Name and Address State of Montana
of Applicant: Business Assistance Division
1424 Ninth Avenue
Helena, MT 59620

2. Point of Contact (Name & Title): Robert Heffner
Business Assistance Division Administrator

3. Telephone Number: (406) 444-3923

4. New Start: [] Existing: [] (Same as entry for SF424, Block 8)

5. Area Coverage:

a. Geographic Area of total area of State of Montana
Coverage: (If the proposed
coverage is less than the total
area represented by a state,
indicate specific counties,
cities, etc., being covered)

(Proposal Reference:
Page 21, Para 3).

b. Distressed Area Coverage: N/A
(Identify the Areas that meet
the criteria for a distressed
area (Section A, Paragraph 3n).
Distressed counties may be
identified by placing an
asterisk by the appropriate
county listed in item 5a
above. All areas other than
counties must be entered here.

(Proposal Reference:
Page N/A, Para N/A).

6. Program Funding:

a. Funding Requested.

Check
Appropriate Block

(1). 50% or less:

- (a). Non-distressed area only. [X]
(b). Distressed area only. []
(c). Both Distressed and non-distressed areas. []

(Proposal Reference: Page, 30,
Para 2).

(2). Over 50%:

- (a). Distressed area only []
(b). Both distressed and non-distressed areas []
and dual budgets are submitted.

(Proposal Reference: Page N/A,
Para N/A).

b. The basis for requesting a share
greater than 50% for any distressed
area coverage (See Section A,
paragraph 3n) is to be detailed
here. If the block is checked
for item 6a(2)(a) Or 6a(2)(b),
this item must be completed.

N/A

(Proposal Reference: Page N/A,
Para N/A).

c. DoD Share of Net Program Cost 50% or Under:

(1). Total program costs	\$ <u>245,106</u>
(2). Less costs which cannot be shared	\$ <u>10,000</u>
(3). Net program cost	\$ <u>235,106</u>
(4). DoD share of net program cost	\$ <u>113,349</u>
(5). Applicant share of net program cost	\$ <u>121,757</u>
(6). % of DoD funding of net program cost	\$ <u>48.2</u>

(Proposal Reference: Page 37,
Para 2).

d. DoD share of Net Program Cost over 50%:

(1). Total program costs	\$ <u>N/A</u>
(2). Less costs which cannot be shared	\$ <u>N/A</u>
(3). Net program cost	\$ <u>N/A</u>

(4). DoD share of net program cost \$ N/A
 (5). Applicant share of net program cost \$ N/A
 (6). % of DoD funding of net program cost \$ N/A

(Enter the % from percent of DoD funds requested form, Section 4, Appendix A).

e. Source of Program Funds:

<u>Funding Source</u>	<u>Amount</u>
(1). Applicant's share.	<u>27,257</u>
(Proposal Reference: Page <u>1</u> , Para <u> </u>).	
(2). Job Training Partnership Act (JTPA).	<u>None</u>
(Proposal Reference: Page <u>N/A</u> , Para <u>N/A</u>).	
(3). Other (Identify).	
US West Communications	<u>9,000</u>
(Proposal Reference: Page <u>43</u> , Para <u>2</u>).	
Montana Power Company	<u>7,000</u>
(Proposal Reference: Page <u>44</u> , Para <u>1</u>).	
Missoula Economic Development Corp.	<u>39,250</u>
(Proposal Reference: Page <u>47</u> , Para <u>2</u>).	
Human Resources Development Council	<u>39,250</u>
Headwaters Resource Development Project Area (Proposal Reference: Page <u>45 and 46</u> , Para <u>1</u>).	
7. Number of Technical Disciplines covered by staff, e.g., Accounting, Engineering, Quality.	<u>6</u>
(Proposal Reference: Page <u>7</u> , Para <u>2</u>).	
8. Number of Counselling tools identified.	<u>12</u>
(Proposal Reference: Page <u>17-20</u> , Para <u> </u>).	

9. Number of potential clients identified. 3175
 (Estimated number of potential clients that have the potential or are seeking to market their goods or services to the DoD)
 (Proposal Reference: Page 13, Para 2).
10. Number of small businesses identified. 8000
 (Proposal Reference: Page 13, Para 2).
- a. Number of small disadvantaged businesses identified. 20
 (Proposal Reference: Page 13, Para 2).
- b. Number of woman-owned small businesses identified. 25
 (Proposal Reference: Page 13, Para 2).
- c. Number of other small businesses identified. 195
 (Proposal Reference: Page 13, Para 2).
11. Total number of clients to be counseled. 240
 (Proposal Reference: Page 13, Para 2).
- a. Total number of initial counseling sessions. 240
 (Proposal Reference: Page 13, Para 2).
- b. Total number of follow-up counseling sessions. 170
 (Proposal Reference: Page 13, Para 2).
12. Average unemployment rate for area to be serviced. 6.8
 (Proposal Reference: Page 31, Para 1).
13. Estimated number of Procurement Outreach Conferences/Seminars to be sponsored. 20
 (Proposal Reference: Page 13, Para 2).
14. Estimated number and dollar value of DoD Prime Contract Awards. 100
 (Proposal Reference: Page 13, Para 2).
15. Estimated number and dollar value of DoD Subcontract Awards. 40,000,000
 (Proposal Reference: Page 14, Para 1).

SECTION 4 PROGRAM DESCRIPTION

A. INTRODUCTION

Presently, Montana does not have a Defense Logistics Agency (DLA) Procurement Technical Assistance (PTA) center for small businesses. Montana currently ranks 46th among the states in per-capita federal contracting, \$568 below the national average. Development of a PTA center in Montana to assist small businesses in selling their products or services to the DoD should greatly increase Montana's participation in federal contracting. The Montana Small Business Development Center, (SBDC) a unit of the Business Assistance Division, Montana Department of Commerce, is herein proposed as the program operator for a statewide Procurement Technical Assistance Network (PTA) network. Other experienced technical assistance providers have committed to cooperate in funding and administering Southwest and Northwest Regional Offices for the network: Headwaters Resource Conservation and Development of Butte, and the Human Resource Development Council of Bozeman (Southwest Region); and the Missoula Economic Development Corporation (Northwest Region). Additional financial and technical support have been committed by U.S. West Communications and by the Montana Power Company.

The SBDC, with offices in Helena, Glendive and Kalispell, is practiced both in administering federal programs and in delivering technical assistance to small businesses statewide. Staffed by two specialists in business financing, one in marketing, one in export and one in information management, the SBDC offers counseling and training expertise in the following technical areas: (1) financial management and financial analysis, (2) business plans, (3) market research, strategy and analysis, (4) loan packaging, (5) cost accounting, and (6) data systems. Business Assistance Division (BAD), operating in parallel with the SBDC, offers two additional specialists in finance, two in marketing, one in export and one in community development to support PTA network activity. In addition to their own staff resources, the SBDC and BAD can call upon a network of forty local development organizations and Chambers of Commerce whose close relationship with the BAD and SBDC has been cemented by participation in the Certified Communities economic development training program. Other public and private resources available to the PTA network are listed under "Primary Network" on pages 15 and 16 of this narrative.

Among its other management training activities, the SBDC initiated a government procurement seminar series in

September 1988, and has since presented seven full-day training events on the subject in as many cities, with total attendance of over two hundred interested businesses. The SBDC's procurement efforts, its business counseling and training mission, its experience in managing multi-locational activities, and its success in administering grants from the Economic Development Administration, the U.S. Small Business Administration, and the Department of Labor confirm this agency as the appropriate operator for a Procurement Technical Assistance program within the Montana Department of Commerce.

The PTA program is recognized as a means of implementing the economic development goals of the Montana Department of Commerce, by broadening markets, diversifying production and building management capacity in the state's business community: the program therefore has the Department's full support and commitment.

B. QUALIFICATION OF PERSONNEL

1. JOB DESCRIPTIONS

Procurement Technical Assistance Program Officer

Salary range: \$25,900 Full Time Position

100% of time to be spent on administration of program and counseling of clients.

Summary of Work: Develops annual PTA work program and prepares the related application for federal funding. Negotiates the terms and conditions of any private matching funds sought to support PTA operations. Recruits, interviews, selects, and hires all PTA professional and clerical staff, with concurrence of the SBDC director. Directs all PTA staff activities, including technical assistance and training services. Evaluates individual staff members' performance and recommends commendations, disciplinary, remedial, or termination action. Works with SBDC director and management services staff to set up and maintain financial and performance records and reporting systems for the PTA, to meet state and federal requirements. Meets with client recruitment prospects to evaluate and explain client's potential contract sales to DoD. Analyzes financial health, management systems, and quality control procedures of prospective clients to assure ability to complete contracts if awarded. Trains clients in DoD procurement policies and procedures. Aids clients with response to solicitations from CBD. Helps clients to complete bidder's mailing list applications to DoD buying activities and Small Business Innovation and Research grant proposals. Assists clients with bid documents, evaluation of technical specifications, proper pricing of products or

services, and interpretation of FAR and DFARS clauses. Counsels clients in DoD market identification and locating subcontracting opportunities with DoD prime contractors. Prepares clients for pre-award survey and monitor postaward administration procedures. Identifies and aids small and disadvantaged business concerns to successfully bid on DoD contracts as referenced in Sec. 1207 of P.L. 99-667. Coordinates service delivery with other public and private business assistance resources. Plans and participates in structured training programs designed to improve understanding of DoD contracting procedures and policies.

Minimum qualifications: Minimum of five years of progressively responsible experience working within a government agency (DoD preferred) in contract award and administration, or minimum of five years in private industry, working predominantly in the area of defense contract bidding and administration of contracts awarded. Thorough knowledge of contracting procedures to include document preparation and pre-award and post-award administration. Extensive knowledge of business management practices, systems and procedures, finance, cost accounting, employee training and skill development, and other administrative support functions. Ability to establish and maintain effective working relations with the public, government officials, and department employees. Ability to communicate clearly and effectively, both verbally and in writing. The above knowledge, skills and abilities are typically acquired through a Masters Degree in business administration and the above listed work experience.

Regional Field Officer (two to be hired)
Salary: \$24,000 Full Time Position
100% of time to be spent in client counseling and regional office administration.

Summary of work: Under general supervision, performs administrative and supervisory work specifically in support of PTA Program officer. Meets with prospective clients to explain and evaluate client's potential contract sales to DoD. Provides financial and operations management/quality control consulting. Trains clients in DoD procurement policies and procedures. Aids clients with response to solicitations from CBD, with completion of bidder's mailing list applications to DoD buying activities, and preparation of Defense small business Innovation and Research grant proposals. Assists clients with bid documents, including evaluation of technical specifications, pricing of products or services, and interpretation of FAR and DFARS clauses. Counsels clients in DoD market identification and locating subcontracting opportunities with DoD prime contractors. Prepares clients for pre-award survey and post-award

administration. Makes referrals and coordinates service delivery with other public and private business assistance resources. Identifies and aids small and disadvantaged business concerns to successfully bid on DoD contracts as referenced in Sec. 1207, P.L. 99-667. Plans and participates in structured training programs designed to improve understanding of DoD contracting procedures and policies.

Minimum qualifications: Minimum of three years of progressively responsible experience working within Government agency (DoD preferred) in contract award and administration, or minimum of three years in private industry, working predominantly in the area of contract acquisition and administration of contracts awarded. Thorough knowledge of contracting procedures to include document preparation and pre-award and post-award administration. Extensive knowledge of business management practices, systems and procedures. Ability to establish and maintain effective working relations with the public, government officials, and department employees. Ability to communicate clearly and effectively, both verbally and in writing. The above knowledge, skills and abilities are typically acquired through a college degree in business administration and the above listed work experience.

Secretary (half time position)

Salary: \$17,000

100% of time to be spent on duties under PTA program.

Summary of Work: Under general supervision performs secretarial duties for an individual, organization unit or department. May serve as lead-worker over personnel. Work consisting of duties many of which involve various related steps, process, or methods. Decisions regarding what needs to be done involve choices requiring the secretary to recognize the existence of and differences among various situations. Decisions at this level are based on a knowledge of the procedural requirements of the work coupled with an awareness of the specific function and staff assignments of the office. Working knowledge of office practices, procedures, and rules: business English, spelling, composition, and bookkeeping; some knowledge of supervisory practices, and techniques; some knowledge of organizational unit employed in. Ability to establish and maintain effective working relationships with employees, other agencies, and the general public. Communicate effectively verbally and in writing.

Minimum qualifications: The above knowledge, skills, and abilities are typically acquired through a combination of education and experience equivalent to graduation from high school and three years of experience as a secretary.

Organizational Chart

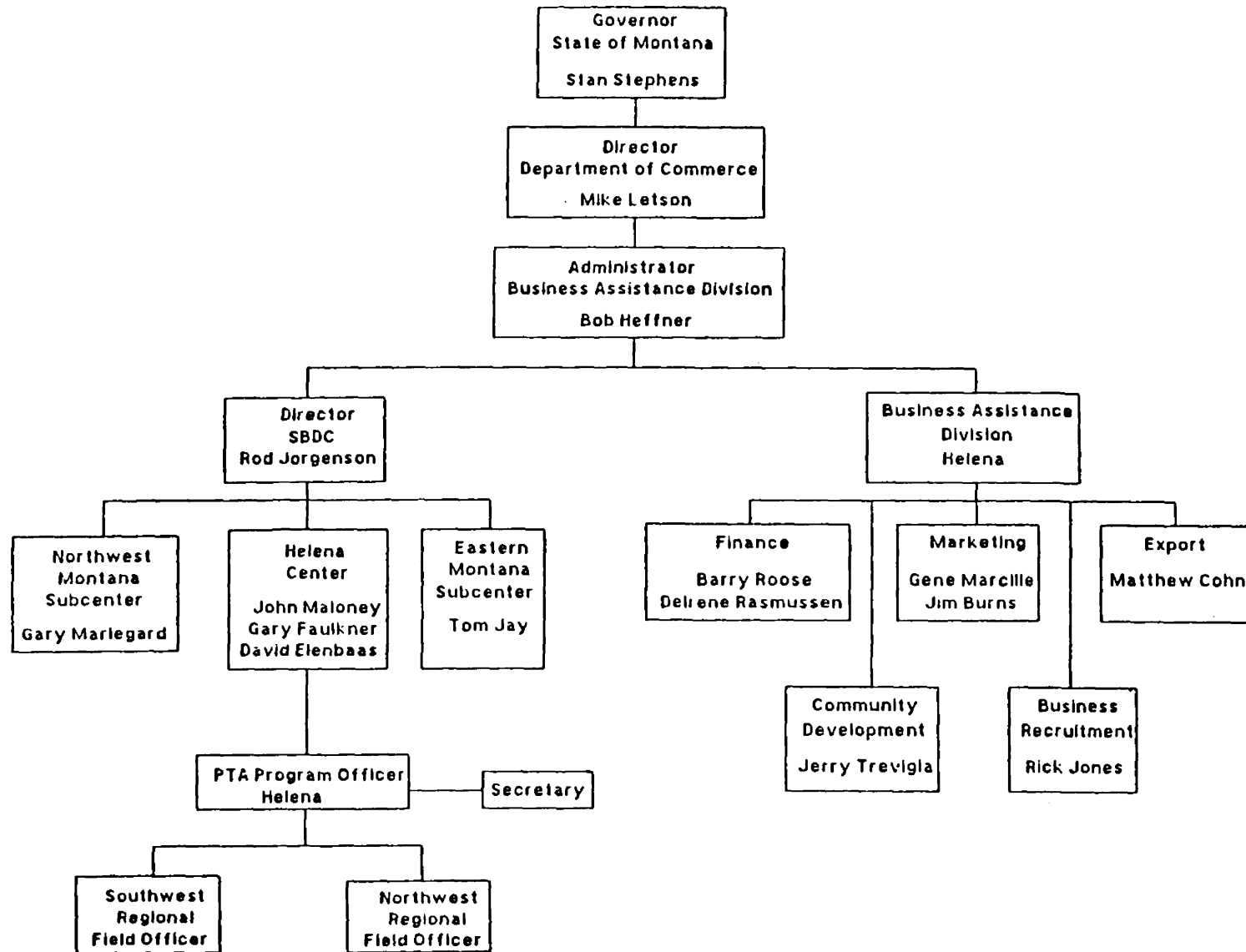


EXHIBIT A
QUALIFICATIONS OF EXISTING PERSONNEL
ATTACHED TO PTA PROGRAM

Three officers from the Business Assistance Division, Department of Commerce will be allocating ten percent of their time to the PTA Program providing technical assistance. Those officers are Barry Roose, Delrene Rasmussen, and Jim Burns. In addition, Gary Faulkner, Finance Officer, Small Business Development Center will be a source of training and technical expertise to the above named officers and the PTA Program.

Barry Roose, Finance Officer

Qualifications: B.S. in Business Administration. National Development Council economic finance courses in finance, credit analysis, and evaluation of business start-ups and business plans. Employment experience in grant writing, accounting system controls, cost-benefit analysis, pro forma budgeting, loan packaging, financial planning, purchasing, and tax considerations and preparations.

Delrene Rasmussen, Finance Officer

Qualifications: Certified Public Accountant, B.S. in Business Administration, and B.A. in Accounting. National Development Council economic finance courses in finance, credit analysis, and real estate. Employment experience in accounting system controls, cost-benefit analysis, pro forma budgeting, loan packaging, financial planning, purchasing, and tax considerations. Previous employment with regional bank holding company in commercial loan department.

Jim Burns, Marketing Officer

Qualifications: M.B.A., B.S. in Finance. Employment experience in corporate budgeting and planning, developing marketing strategies, sales engineering, program design and implementation, and international economic development. Previous employment with Motorola, a Fortune 100 company.

Gary Faulkner, Finance Officer

Qualifications: Experience in government contracting, including bid preparation, pre-award and post-award administration, quality assurance, and contract costing. Five years in private industry as defense contractor, managing operations of three continuing DoD contracts. Twenty years experience as manager of mid-size manufacturing companies. Six years experience in public/private finance programs and business consulting. Five years owner/operator private retail service business.

3. AUTHORITY OF PROGRAM OFFICER

The PTA Program Officer reports to the Director of the Small Business Development Center (SBDC) who reports to the Business Assistance Division Administrator who reports to the Department of Commerce Director. The daily operations of the Montana PTA Center will be managed and coordinated by the PTA Program Officer who will monitor statewide activities. The PTA Program Officer will control the PTA budget subject to review and approval by the SBDC Director. He will supervise the work of the Procurement Assistance Centers (PAC's) and Administrative Secretary assigned to the PTA program. The Program Officer will also supervise and coordinate the SBDC and BAD staff as their activities relate to DoD procurement technical assistance.

C. QUALITY OF PTA PROGRAM

1. GOALS AND OBJECTIVES

For the program year, PTA goals include the following:

- (a) Number of businesses to receive the PTA program brochure and letter describing the program 6,500
- (b) Number of businesses to receive newsletter containing articles and updates on the PTA program 8,000
- (c) Number of clients to receive PTA technical assistance 240
- (d) Number of small and disadvantaged businesses (Native Americans) to receive PTA technical assistance 20
- (e) Number of women-owned businesses to receive PTA technical assistance 25
- (f) Number of marketing leads (DoD solicitations) to Montana businesses 10,000
- (g) Number of bidder mailing list registrations with DoD and other federal agencies (Minority Vendor Profile System of the Minority Business Development Agency, Dept. of Commerce, and the Procurement Automated Source System (PASS)) 500
- (h) Number of Mt. companies bidding on DoD contracts 300
- (i) Number of DoD contracts to be awarded to PTA client companies in Montana 100

- (j) Dollar value of DoD contracts awarded to PTA client companies in Montana \$40,000,000
- (k) Estimated cost savings to DoD with the awarded contracts to Montana companies (based upon 2% of contract value) \$800,000
- (l) Jobs retained or created as a result of DoD contract awards (@ \$78,000/job) 512
- (m) Number of conference/speeches to be given 24
- (n) Number of SBIR proposals to DoD 2

2. NETWORKING

a. Introduction

Within the past ten months, the SBDC has developed a close working relationships with:

- (1) Malmstrom Air Force Base
- (2) Montana Science and Technology Alliance
- (3) Montana Community Colleges (three units)
- (4) Small Business Administration (SBA)
- (5) Womens Economic Development Corporation (WEDCO)
- (6) Economic Development Administration
- (7) Montana Cooperative Extension Service (46 offices)
- (8) Local Economic Development Organizations/Chambers of Commerce (40 Certified Communities)
- (9) Montana Power Company (MPC)
- (10) US WEST Communications
- (11) The Montana Board of Investments (BOI)
- (12) Fort Peck Indian Reservation
- (13) Fort Belknap Indian Reservation
- (14) Rocky Boys Indian Reservation
- (15) Crow Indian Reservation
- (16) Blackfeet Indian Reservation
- (17) Flathead Indian Reservation
- (18) Northern Cheyenne Indian Reservation
- (19) Disadvantaged Business Enterprise unit-Montana Department of Highways
- (20) Montana University system (six units)
 - Small Business Institute
 - Centers of Excellence program
 - University Technical Assistance program

A copy of the Montana PTA Center's Networking Chart is shown on Exhibit D, which demonstrates the primary and secondary tiers of the PTA Center networking among the state, local and private organizations.

- b. Primary Network (Intensive, regular interaction with PTA Center)

-U.S. Small Business Administration, Procurement Center Representative (Billings)

Direct technical counseling in procurement markets, contracting procedures and setasides. Will cooperate with PTA in both counseling and training.

-Malmstrom Air Force Base, Small Business Deputy (Great Falls)

Award contracts and counsel small businesses on contract acquisition. Will provide technical assistance to PTA clients.

-SBDCs (Glendive, Kalispell, and Helena) & BAD (Helena)

Will provide three staff in support of PTA each one at 10% of full time equivalent basis. During 1988, BAD and SBDC officers conducted 500 significant counseling cases of over one hour in length, for a total 2,600 hours of in-depth counseling, averaging over 5 hours per client. Officers have also had around 1400 brief contacts and clients referrals. Seminars and workshops are organized and conducted by BAD and SBDC officers throughout the state. During the last three quarters of 1988, the SBDC conducted 32 training seminars and workshops, total attendance 692 persons. In the past year, through the organizational efforts of the SBDC and BAD, 30 Montana companies have attended six national trade shows, resulting in close to \$800,000 in new business for the state.

-Missoula Economic Development Corporation

To provide office location and administrative support and funding contribution for Northwest Regional Office. Provides technical assistance in areas of small business planning, plant location, and organizational management.

-Human Resources Development Council/Headwaters R C & D

To provide office location and administrative support and funding contribution for Southwest Regional Office. Provides technical assistance in areas of small business planning, finance, marketing and organizational management.

-Montana State University University Technical Assistance Program

UTAP maintains a complete and current catalogue of military specifications on microfiche, available to PTA clients at the cost of copying and mailing. They will also provide technical assistance in SBIR grant proposal preparation and production technology.

c. Secondary Network (Occasional interaction and referrals)

-Forty Certified Communities (Chambers of Commerce and Local Development Organizations)

The staff of the SBDC and BAD maintain a working relationship with Chambers of Commerce and Local Development Organizations (LDO's) through the statewide Certified Communities program. In fact, four of these organizations will provide designated satellite offices for the regional program officers. The entire network of Certified Community Local Development Organizations is available to offer office facilities and counseling support to "circuit-riding" PTA officers acting as intake points for clients and establishing appointments for the field officers. In addition LDO personnel will be trained in procurement reference materials and general procurement information. Local publications issued by these organizations will be utilized to advertise the service available by the PTA.

-Three Community Colleges/Five Vocational Technical Institutes

Will provide training facilities for PTA seminars. Will carry publicity materials, brochures, and limited reference materials.

-Seven Chapters of the Senior Corp of Retired Executives (SCORE)

Will be provided with brochures and publicity materials for the PTA program. Can assist with general business counseling and technical assistance in individual areas of specialization.

-Montana University System

- Business schools (management counseling)
- SBI Program (feasibility studies and counseling)
- University Technical Assistance Program (production design, technology transfer, and MIL specifications)

-Cooperative Extension Service

Located in each county of the state. Business training workshops and technology transfer.

d. Publicity

All workshops and conferences will be preceded by press releases and advertisements in the local newspapers, radio and television media. Local television and radio stations and newspapers will be contacted about the potential benefits to a community of having its businesses do work with the DoD. Workshop and Conference brochures will be mailed to businesses and persons expressing interest. Further mailings will be determined from other relevant mailing lists.

The Department of Commerce publishes Inside, a quarterly magazine along with several divisional newsletters. These documents are made available to public and private organizations throughout the state. PTA staff will contribute various articles on upcoming conferences, marketing leads, success stories and contract awards. All PTA clients will automatically receive copies after SBA Form 1062 has been filed on their business. PTA staff will work with editors of the Montana Magazine to feature the PTA program with in-depth articles on successful companies that receive DoD contracts.

PTA staff will in addition, give presentations and speak before public and private development organizations, as well as business and industry associations, chambers of commerce, and professional associations of accountants, bankers and business consultants.

3. COUNSELING TOOLS

a. Subscriptions and Publications

1. **Commerce Business Daily (CBD).** The CBD publication is a primary source for DoD sales leads to interested businesses. The PTA Head Office, regional offices, designated satellite offices, and all primary network resources listed above (pages 15 and 16), will have access to the CBD.

2. **FAR.** The FAR will be subscribed to at the PTA Head Office. Copies of the FAR will be made available to all Regional PTA offices, designated PTA satellites, SBDC subcenters, and all other Primary Network resources.

3. DFARS. The DFARS will also be subscribed to at the PTA Head Office. Copies of the DFARS will be made available to all the primary network resources.

4. Commodity Listings. PTA Head Office will maintain commodity listings of the major federal buying activities. In addition to those buying activities, the PTA also will maintain commodity listings for the Malmstrom Air Force Base and Montana National Guard. Copies of these commodity lists will be provided and mailed to prospective suppliers. Copies of commodity listings will be available to all primary network resources.

5. Montana Manufacturer's Directory. This database, available on diskette and in print, lists all manufacturers in the state by SIC number, number of employees, primary product(s), contact person, address and telephone number. This directory is currently being updated by BAD and will be mailed to all major or prime contractors listed in the "Department of Defense Prime Contractors located in the Northwest," as well as to all federal, state and local government agencies in Montana, North Dakota, Minnesota, Wyoming, Idaho, Oregon and Washington.

6. Other Publications. The PTA staff will also maintain the following information and publications as reference materials to assist new and existing businesses with marketing to the DoD and other federal, state and local government agencies: Guide to the Defense Contracting Regulations for Small Business, Small Disadvantaged Business and Women-owned Small Business; Small Business Specialists; Guide to the Preparation of Offers for Selling to the Military; Small Business Subcontracting Directory; Selling to the Military; Directory of Federal Procurement Offices in Region 8 of SBA; Government Product Prime Contractors Directory; Small and Disadvantaged Business Utilization Specialists; Small Business Answer Desk Directory; Selling to the United States Air Force; Guide to Doing Business with the Federal Government; An Introduction in Marketing to the Government; Women Business Owners; Selling to the Federal Government; 1989 Department of Defense Small Business Innovation Research Program; Pre-award Survey Information Guide; Guide for Unsolicited Proposals; Base Contracting Information - Malmstrom AFB; Setting Up a Quality Control System; SIC Code Manual; Competition Hit Lists (supplied by ten different DoD buying activities; Manufacturers' Directories for North Dakota, Minnesota, Oregon and Washington;

DODISS; Selling to GSA; PASS Applications; SF-129, Solicitation Mailing List Applications; DD Form 558-1, Bidder's Mailing List application Supplement; DD Form 2051, Request for assignment of Commercial and Government Entity (CAGE) Code; DD Form 1425, Specifications and Standards Requisition; How to do Business with the Army Materiel Command; Navy SADBUS Directory; DODISS Information Guide; DCASMA-TC Prime Contractor List; CBD Reader's Guide; Request for Solicitation Sample Letter; Procurement Advice Publication List; Worksheet to Read the CBD; How to Avoid Delays in Payment; Selling to the U.S. Postal Service; How to Seek and Win NASA Contracts; Manual of Quality Assurance Procedures and Forms.

b. Computer Databases

1. Protech Software Access to this software package through our cooperative agreement with North Dakota Economic Development Commission (Appendix A) will allow PTA staff to match company capabilities with solicitations in the electronic CBD, which is received daily via telephone modem at the NDEC. Bid leads from the match process will be compiled weekly and marketed directly to companies subscribing to the bid-match service (at \$40 per month). Protech also will automatically match contractor capabilities with the commodity lists of the 312 major federal buying activities and the Small Business Subcontracting Directory of prime contractors, generating leads for defense contract market identification and targeting.

2. Dialog. The DIALOG Information Retrieval Service, from Dialog Information Services, Inc., has more than 320 databases in a broad scope of disciplines available for online searches. DIALOG maintains several databases related to government procurement, including the Commerce Business Daily, DMS Contract Awards, and DMS contractors. The SBDC maintains an account with DIALOG. Dialog service available to PTA clients at cost.

3. PartsMaster. This is a database containing DoD and other federal agency purchasing history and data. Information included is FSC, federal buying activity, solicitation number, NSN, price, company purchased from and technical specifications of the product or service and all components thereof. The Montana PTA network proposes to acquire the Partsmaster database to assist clients in bid preparation and pricing.

c. Conferences & Workshops

Twenty introductory and advanced conferences on selling to the DoD will be held around the state during the first year. These workshops will cover reading the CBD, completing SF-129 and DD558-1 forms, selling to the DoD, packing and marking, packaging requirements, quality control systems, understanding FAR and DFARS, selling to GSA, submitting unsolicited proposals, completing SF-33, preparing for pre-award surveys, contract changes, contract close-out and payment and bonding procedures, as well as other pertinent topics.

d. DoD Conventions (out-of-state)

PTA staff and pre-qualified clients (with current capabilities to contract) will attend DoD Conventions to meet with major or prime contractors. This interaction will develop a personal working relationship in subcontracting. Seeking opportunity, rather than waiting for an invitation, illustrates an eagerness to access and compete for subcontracts.

e. Problem Resolution

Any clients experiencing difficulties obtaining information from DoD purchasing personnel, will be encouraged to contact the PTA staff with documentation about their particular difficulty. PTA staff will offer alternative approaches for the client to resolve the problem. If the problem cannot be so resolved, PTA staff will contact the applicable DoD purchasing personnel from the federal agency in question. If the problem is still without resolution, staff will contact the Deputy Director of Small Business at DCASMA Seattle (Alice Toms) to intercede in the PTA client's behalf. The above process has worked efficiently in the past for other established PTA programs.

4. IMPLEMENTATION PROCEDURES AND PLANS.

It is the goal of the PTA Center to improve the business climate and economic development of Montana by diversifying and expanding its' industrial base, thereby increasing competition in the private sector for DoD procurement contract awards. Furthermore the PTA program will create new jobs and retain existing ones by encouraging successful bidding on DoD solicitations by new and existing manufacturers, service and construction contractors. The overall objective of this PTA will be to establish and retain companies as current-bidding, new-bidding and new-products-bid sources. Another objective will be help firms

improve management by establishing systems for cost accounting, quality control, safety, financial analysis and management, research and development, technology transfer and general organizational development.

At the beginning of the first quarter of the new program, the two Regional Field Officers, the Program Officer, and the one-half time administrative secretaries will be hired. By the middle of the first quarter, the new Program manager, program officers, and administrative secretaries will be properly trained on DoD purchasing policies, procedures and forms, the Commerce Business Daily (CBD), Federal Acquisition Regulations (FAR), DoD FAR Supplement (DFARS), commodity listings of federal purchasing activities, the Federal and Military specifications and standards microfilm library and computerized CBD bid-matching software. Additional participants in early training sessions will include other secretarial and administrative staff from the PTA's regional offices, as well as SBDC and BAD staff, and staff from designated PTA satellite offices (4).

The state of Montana (total population 800,000) has been divided into three regions (Exhibit E). Regional offices will be located at Helena, Butte/Bozeman, and Missoula. The Southwest Regional Field Officer will have offices in both Butte and Bozeman, operating half-time out of each location. The Southwest Regional office will service the Montana counties of Madison, Beaverhead, Silverbow, Powell, Deer Lodge, Granite, Jefferson, Broadwater, Gallatin, Meagher, and Park. This office will provide access for counseling to a population of 142,600.

The Northwest Regional Office in Missoula will be staffed by a Regional Field Officer, with satellite offices in Hamilton and Kalispell. The Northwest Regional office will service the Montana counties of Flathead, Lincoln, Sanders, Lake, Mineral, Missoula, Granite, and Ravalli. This office will provide access for counseling to a population of 216,800.

The Helena office, staffed by the PTA Program Officer, Administrative Secretary and part time counseling staff from BAD and SBDC, will service the remaining counties within the state. The Helena office will be aided in the coverage of this large geographic region by staff and office facilities at the SBDC's Eastern Montana subcenter at Glendive, and by close cooperation with JoAnn Labatto, Resident Procurement Center Representative for the U.S. Small Business Administration in Billings. JoAnn will be working closely with the PTA and SBDC in the referral and counseling of potential and existing program clients JoAnn will also assist the PTA in the design and presentation of training activities.

Assistance offered to PTA clients will include: a. Explaining and evaluating a clients' potential to sell to the DoD. b. Describing how DoD purchasing procedures and forms. c. Assisting clients to respond to solicitations from the CBD, and to complete the bidder's mailing list applications to DoD buying activities. d. Assisting clients to locate subcontracting opportunities with DoD prime contractors. e. Assisting clients to prepare bid proposals (i.e. to complete documents, evaluate technical specifications, price products, interpret FAR and DFARS clauses). f. Aid to clients to prepare Small Business Innovation and Research (SBIR) grant proposals. g. Preparing clients for the DoD pre-award survey and post-award administration. h. Identifying small and disadvantaged business concerns to successfully bid on DoD contracts as referenced in Sec. 1207 of P.L. 99-667.

Written and verbal reporting on all program clients will be compiled by PTA staff on a quarterly basis. Such reporting will be compiled in socio-economic terms and made a part of DLA's Procurement Technical Assistance Cooperative Agreement Performance Report, RCS Number DLA 2545.

By the end of the first quarter:

- (a) A brochure describing the PTA program and the potential of selling to the DoD will be developed. This brochure will be targeted by SIC Code to 11640 manufacturers, service and construction contractors within the state.
- (b) PTA will sign on, via telephone modem, to the computerized listings of solicitations through the Defense Construction Supply Center (DCSC) in Columbus, Ohio. Staff will enter the DCSC bulletin board every week and down load all new solicitations. These solicitations will be analyzed and distributed to potential Montana bidders.
- (c) The Business Assistance Division, Department of Commerce will be publishing a 1990-1991 Montana Manufacturer's Directory in August 1989. The directory will contain company name, address, telephone number, contact person, primary products offered, and SIC codes. The directory will be continually updated and also made available on computer diskette and via an on line bulletin board system, to PTA clients and network.
- (d) A client database will be developed which will be used to target probable recipients of federal contracts. The database will be compiled from the Montana Manufacturer's Directory, BAD and SBDC training seminar attendees, and BAD and SBDC counseling clientele. The

database will provide the PTA program with a list of potential contractors in the state and their products or services, organized by SIC code.

Beginning with the second quarter, PTA staff will present five workshops per quarter in varying communities in a progressive learning series. The series will consist of

1. general introduction to the procurement market,
2. pricing policies and procedures and bid preparation,
3. preaward and postaward contract administration procedures, and
4. production, manufacturing, and quality assurance procedures.

By the end of the second quarter, PTA staff will perform a written follow-up with all companies counselled addressing such areas as:

- (a) Did the firm bid on a DoD marketing lead provided by PTA staff?
- (b) Has the firm had its name added to any DoD bid mailing list?
- (c) Has the company been awarded any DoD contracts or subcontracts?
- (d) Has the firm added new products or service lines?
- (e) Has the firm retained or added new personnel?
- (f) What effect has the DoD procurement activity had on the firm's financial condition?
- (g) Does the company wish to have any further procurement technical assistance?

By the end of the third quarter results will be:

- (a) A letter will be generated to all competition advocates within the DoD requesting copies of their "hit" lists. The PTA currently maintains 14 competition hit lists from the DoD. All hit lists will be reviewed to match company capabilities to DoD items lacking competition.
- (b) Applicable DoD competition advocates "hit" lists will be reviewed by the SBDC. SBDC will work with clients referred to them by the PTA Center to do reverse engineering of the "hit" list products and capability analysis of the client's manufacturing potential. SBDC and PTA staff will assist clients to approach DoD completion advocates about bidding on the "hit" list items.
- (c) PTA staff will establish a DoD marketing assistance training program for the utility companies within the state. These utility companies can assist with profiling businesses in their territories which have marketing potential to the DoD. The utilities can then inform companies of the PTA program and provide client leads to the PTA Center.

Upon the completion of a second interview with each client choosing to subscribe to the PTA's bid-matching system, all relevant client data (i.e. company profiles explaining equipment, labor force, manufacturing facilities, etc. and federal supply classification (FSC) codes) will be immediately compiled and entered into Procurement Technology International's (PTI) Protech software, through a Service Agreement with the North Dakota Economic Development Center (NDEC) in Bismark, North Dakota (see APPENDIX A). PTI is aware of and has approved this arrangement. The Protech software features an automated CBD which will match a company's capabilities to DoD purchasing needs as listed in the CBD. NDEC will match the federal solicitations with potential companies product(s) and service(s). NDEC will compile a weekly list of solicitations for each company. These leads will then be mailed out to clients with copies to PTA staff working with those clients.

Requests for counseling will be completed by the client on the SBA Form 641. This form notes the area of counseling needed, formally requests assistance from PTA personnel, and includes a release from liability. All personal and verbal contact with PTA clients or potential clients totaling one hour or more per quarter will be recorded on SBA Form 1062. This form will denote name of the company, address, date, telephone number, Standard Industrial Classification (SIC), product or service, size and socio-economic classification, and subject matter of counseling assistance; and will include detailed notes on counseling and service provided. By the end of each program quarter, this data will be input into the SBDC's DBASE IV management information system for future reference, analysis, and reporting.

U.S. GOVERNMENT
SMALL BUSINESS ADMINISTRATION
REGION VIII
999 18th STREET
SUITE 701
DENVER, COLORADO 80202

Exhibit C

May 2, 1989

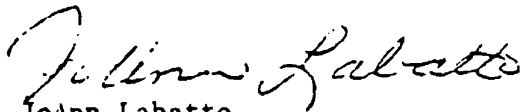
Mr. Robert Heffner
Director, Small Business Development Center
1424 Ninth Ave.
Helena, MT 59620

Dear Mr. Heffner:

I appreciated the opportunity to meet with you during the Advisory Council meeting in Helena, on April 28, 1989. After sharing ideas for the goals of our individual offices, it is apparent that we have a common goal -- getting more Federal procurement dollars into the small businesses in Montana.

I am looking forward to working with the Small Business Development Center to accomplish these goals.

Sincerely,



JoAnn Labatto
Procurement Center Representative
Small Business Administration
2525 4th Ave North
Billings, MT 59101



PROCUREMENT TECHNICAL ASSISTANCE CENTER NETWORK

1. Program Offices

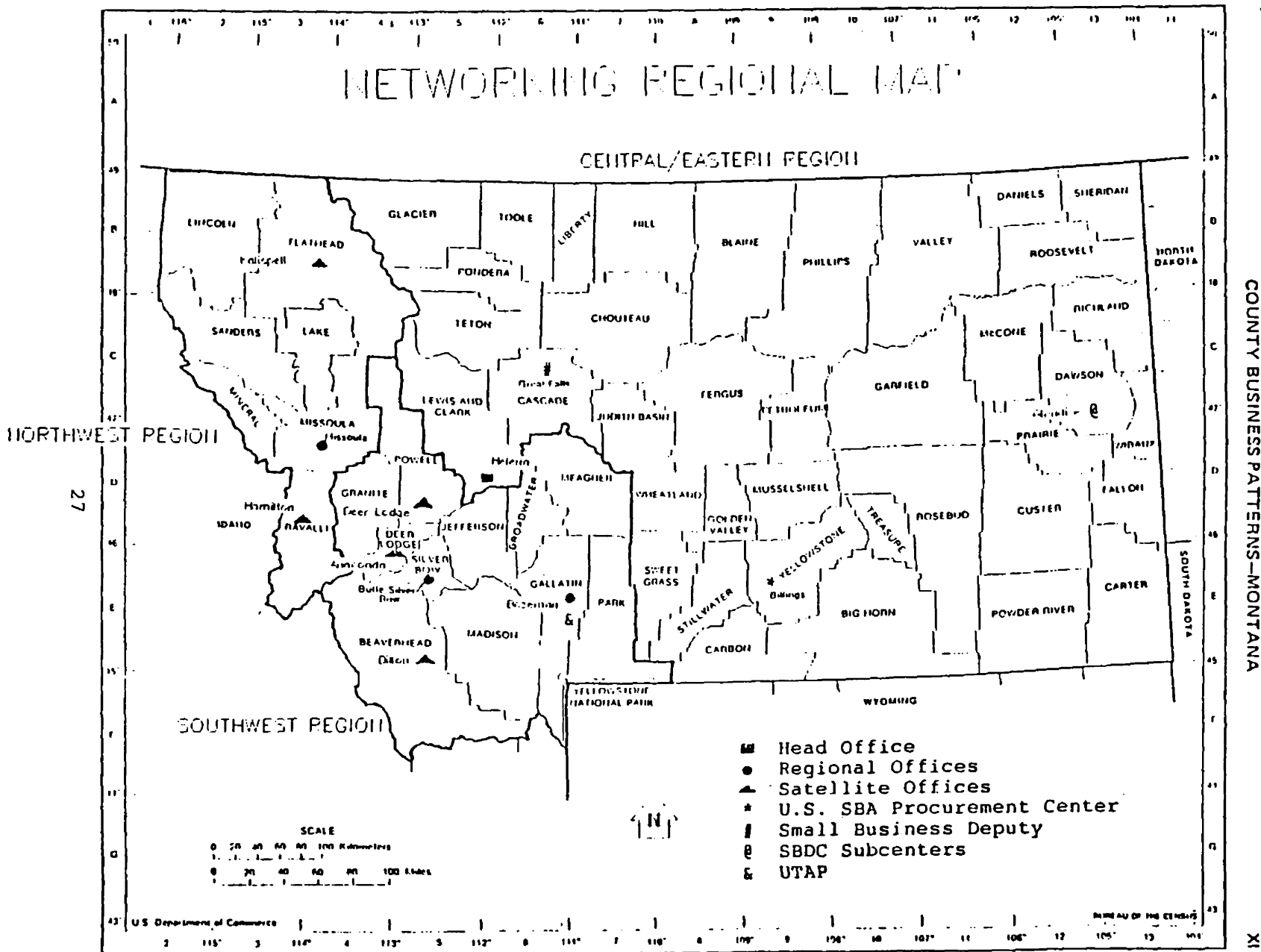
Northwest Region PTA Center	Missoula
Southwest Region PTA Center	Butte/Bozeman
Central/Eastern Region PTA Center	Helena

2. Primary Network
 (technical assistance providers with whom regular intensive interaction)

Small Business Development Centers	Helena Glendive Kalispell
Business Assistance Division/DOC	Helena
U.S. SBA Procurement Center	Billings
Human Resources Development Council	Bozeman
Headwaters Resource & Conservation Development Project Area	Butte
Malmstrom Air Force Base	Great Falls
MSU University Technical Assistance Program (UTAP)	Bozeman

3. Secondary Network (occasional referrals/interaction)

Montana University System	Billings Bozeman Butte Dillon Havre Missoula
Cooperative Extension Service	Every County
Montana Certified Communities	40 state-wide
Senior Corps of Retired Executives (SCORE)	Billings/Lewistown Bozeman Glasgow Great Falls Helena Kalispell
Community Colleges	Glendive Miles City Kalispell
Vocational Technical Schools	Billings Butte Great Falls Helena Missoula
Chambers of Commerce	State-wide



5. FEES AND SERVICE CHARGES

No fees or service charges for the PTA program will be assessed to clients for counseling. A nominal fee may be charged for copies of publications or standards from the microfilm library or PTA workshops to partially cover expenses incurred by the PTA Center. In addition a subscription fee of \$40 per month for a weekly compilation, will be charged for the PROTECH computer bid matching service, offsetting the cost of the SBDC use agreement with the North Dakota Economic Development Commission. Seminars will be conducted on a cost recovery basis, with an expected charge of \$30 per client for a full-day program.

D. NUMBER OF CLIENTS

1. GEOGRAPHICAL AREA SERVICED

The PTA program will service the entire state, with emphasis on the more populated areas, but with access for rural clients. PTA staff will work closely with Indian Reservations. Special emphasis will be given to develop minority businesses and assist them in qualification assessment, bid preparation, loan packaging and subsequent administration of DoD contracts when awarded.

2. SIZE AND SOCIO-ECONOMIC STATUS OF POTENTIAL CLIENTS

a. Statistics

As per the 1986 County Business Patterns, U.S. Department of Commerce, Bureau of Census, the State of Montana had 25,143 businesses which are broken down into the following SIC categories:

Agricultural services, forestry, fisheries	312
Mining	362
Contract construction	2,042
Manufacturing	1,133
Transportation & public utilities	1,354
Wholesale trade	1,786
Retail trade	6,709
Finance, insurance, real estate	1,932
Services	7,445
Unclassified establishments (Other)	2,068
Total	25,143

Also from the 1986 County Business Patterns, large and small businesses within Montana by major SIC code:

	Total	Sized by Employees	
		500> Large	<500 Small
Agriculture	312		312
Mining	362		362
Construction	2,042		2,042
Manufacturing	1,133	4	1,129
Transportation	1,354		1,354
Wholesale	1,786		1,786
Retail	6,709		6,709
Finance	1,932		1,932
Services	7,445	7	7,438
Other	2,068		2,068
Total	25,143	11	25,132

According to the 1982 Survey of Minority-Owned Business Enterprises, Montana has 470 minority-owned businesses within the state. The following is a breakdown of those businesses by SIC category:

	American Indian	Asian	Pacific Islander	Other
Agriculture & Mining	8	3		
Construction	41	5		5
Manufacturing	9	3	1	
Transportation	17	1		1
Wholesale		1		
Retail	69	53	11	8
Finance		2	1	2
Services	109	62	12	16
Other	20	2	3	5
Total	273	132	28	37

Montana also has 14,497 women-owned businesses according to the 1982 Economic Censuses of Women-Owned Businesses, U.S. Department of Commerce, Bureau of Census. Those women-owned businesses are denoted by the following major SIC categories:

Agriculture, forestry, fishing & mining	273
Construction	439
Manufacturing	378
Transportation	248
Wholesale	92
Retail	4,434
Finance	1,002
Services	6,831
Other	<u>800</u>
Total	14,497

E. AMOUNT AND PERCENTAGE OF COSTS TO BE SHARED BY DoD

The net program cost for the Montana PTA program is [\$235,106]. The Montana SBDC is requesting \$113,349 from the DoD which represents [48.2%] of the net program costs. The balance of the program costs are provided by the state of Montana, the Regional Office operators, and a \$16,000 cash commitment from Montana Power Company and U.S. West Communications. (See Commitment letters and exhibits H, I, J, K and L)

The Montana PTA Network service area includes 7 Indian Reservations and 25 counties (civil jurisdictions, Exhibit F) which are labeled as distressed areas. Although the PTA Network could apply for distressed funding for these jurisdictions (75% DoD cost sharing), the state of Montana has chosen not to do so.

F. LEVEL OF UNEMPLOYMENT

1. NUMBER OF CIVIL JURISDICTIONS

Montana has a total of fifty-six (56) counties and (4) cities of population over 25,000 for a total of (60) civil jurisdictions.

2. NUMBER OF CIVIL JURISDICTIONS LOCATED IN DISTRESSED AREAS

Montana has 24 of its 56 counties and one of its four cities of population greater than 25,000 designated as Labor Surplus Areas. Those are identified on the map as Labor Surplus Distressed Areas (Exhibit F). They

are identified in "Statistics in Brief," the 1989 Montana Labor Market Information summary, (Exhibit G).

3. SUMMARY OF STATE UNEMPLOYMENT

Twelve month average state unemployment rate: 6.8%
Twelve month average U. S. unemployment rate: 5.5%
During the timeframe of 1986 - 1988 employment nationwide increased by 5,371,000, while Montana employment remained constant at 374,000. The civilian labor force during the same time grew nationwide by 3,839,000 and decreased by 6,000 in Montana. As can be noted from these statistics, increased employment opportunities outside of the state and an economic base which is not expanding within the state has forced an exodus of employable people. This also can be readily ascertained by the fact that the population of Montana has declined by 13,000 during this time. The PTA program will be used to diversify and broaden the marketing potential of Montana businesses and assist in returning the state to economic health.

G. SUBCONTRACTING

Work to be accomplished by the Montana PTA Network will be carried out by staff of the Montana Department of Commerce in Helena, and by staff of the non-profit local development organizations acting as regional program operators in the Missoula and Butte/Bozeman areas. Regional office activities will be supervised by the Head office, and governed by cooperative agreements between the Department and the two regional program operators. Subcontract consulting will be limited to professional seminar presentations for PTA Network staff and clients as necessary and appropriate; total subcontract costs will not exceed 10% of total program costs.

CIVIL JURISDICTIONS, INDIAN RESERVATIONS, AND DISTRESSED AREAS

Flathead Reservation Blackfeet Reservation Rocky Boys Reservation Fort Belknap Reservation Fort Peck Reservation

LINCOLN FLATHEAD GLACIER TOOLE LIBERTY HILL BLAINE PHILLIPS VALLEY DANIELS SHERIDAN

SAIDERS LAKE PONDERA TETON CHouteau FERGUS GARFIELD MCCOY RICHLAND

MISSOULA Missoula LEWIS AND CLARK JUDITH BASIN PETROLEUM DAWSON

POWELL GRANITE DEER LODGE JEFFERSON BROADWATER WHEATLAND MUSKIE SHELL PRAIRIE WIDAU

IDAHO RAVALLI BUTTE SILVER BOX BUTTE SILVER BOX GALLATHE PARK GOLDEN VALLEY MUZZIE SHELL FALLON

BEAVERHEAD MADISON STILLWATER CARBON SWEET GRASS SHELLESTONE TREASURE ROSSIGNOL CUSTER

YELLOWSTONE NATIONAL PARK CROW Reservation Northern Cheyenne Reservation

WYOMING

POWDER RIVER CARTER

25 Distressed Areas
7 Indian Reservations
56 Counties
4 Cities over 25,000 Persons

SCALE
0 20 40 60 80 100 Kilometers
0 20 40 60 80 100 Miles

U.S. Department of Commerce

Exhibit F

XII

(5). SECTION 3 - DRUG FREE WORKPLACE CERTIFICATION AND CONTINGENT
FEE REPRESENTATION AND AGREEMENT CLAUSE

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

Alternate I - Applies to applicants/recipients other than
individuals.

A. By signing and submitting this proposal the applicant/
recipient certifies that it will provide a drug-free workplace by:

(a) Publishing a statement notifying employees that the
unlawful manufacture, distribution, dispensing, possession or use of a
controlled substance is prohibited in the cooperative agreement
recipient's workplace and specifying the actions that will be taken
against employees for violation of such prohibition;

(b) Establishing a drug-free awareness program to inform
employees about --

(1) The dangers of drug abuse in the workplace;

(2) The cooperative agreement recipient's policy of
maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation,
and employee assistance programs; and

(4) The penalties that may be imposed upon employees
for drug abuse violations occurring in the workplace;

(c) Making it a requirement that each employee to be
engaged in the performance of the cooperative agreement be given a copy
of the statement required by paragraph (a);

(d) Notifying the employee in the statement required by
paragraph (a) that, as a condition of employment under the cooperative
agreement, the employee will--

(1) Abide by the terms of the statement; and

(2) Notify the employer of any criminal drug statute
conviction for a violation occurring in the workplace no later than
five days after such conviction;

(e) Notifying the agency within ten days after receiving
notice under subparagraph (d)(2) from an employee or otherwise
receiving actual notice of such conviction;

(f) Taking one of the following actions, within 30 days of
receiving notice under subparagraph (d)(2), with respect to any

employee who is so convicted--

(1) Taking appropriate personnel action against such an employee, up to and including termination; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

B. The cooperative agreement recipient shall insert in the space provided below the site(s) for the performance of work done in connection with the specific cooperative agreement:

Place of Performance (Street address, city, county, state, zip code)

~~-----1134 Wineth Ave. Helena Lewis and Clark Montana 59602-----~~

CONTINGENT FEE REPRESENTATION AND AGREEMENT CLAUSE

a. The applicant represents that, except for full-time bona-fide employees working solely with the applicant, the applicant:

(1). [] has, [☒] has not employed or retained any person or company to solicit or obtain this agreement; and

(2). [] has, [☒] has not paid or agreed to pay to any person or company employed or retained to solicit or obtain this agreement any commission, percentage, brokerage, or other fee contingent upon or resulting from the award of this agreement.

b. Agreement. The applicant agrees to provide information relating to the above Representation as requested by the Associate Director of Small Business and, when subparagraph (a)(1) or (a)(2) above is answered affirmatively, to promptly submit to the Associate Director of Small Business -

(1). A completed Standard Form (SF) 119, Statement of Contingent or Other Fees; or

(2). A signed statement indicating that the SF 119 was previously submitted to the same Associate Director of Small Business, including the date and applicable solicitation or cooperative agreement number, and representing that the prior SF 119 applies to this offer.

PERCENT OF DoD FUNDS REQUESTED

The DoD Share Is To Be Computed Based Upon Entries Made On The Application For Federal Assistance Form (SF424).

1. Formula For Calculating Percentage of DoD Funds Requested:

Total Program Cost (Standard Form 424, Line 15g entry).	\$ 245,106
LESS COST THAT CANNOT BE SHARED:	
Other Federal Funds (Use Standard Form 424, Line 15a entry as the base and deduct the DoD funds requested. The remainder will represent other Federal funds that can not be shared and that amount should be entered).	\$ -0-
Program Income (Use Standard Form 424, Line 15f entry).	\$ 10,000
Total of Cost That Cannot Be Shared.	\$ 10,000
Net Program Cost (total program cost minus total cost that cannot be shared).	\$ 235,106
DoD Share of Net Program Cost Being Requested.	\$ 113,349
Percentage of Net Program Costs (DoD funds requested divided by net program cost).	48.2%

2. The DoD share cannot exceed 50% of net program cost in the case of non-distressed areas, or 75% in the case of a distressed areas. In the event the applicant submits two budgets, one for a totally distressed area and a second for a non-distressed area, the above formula should be applied to each.

BUDGET INFORMATION — Non-Construction Programs

OMB Approval No. 0348-0044

SECTION A — BUDGET SUMMARY

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. PTA for Business firms	12.002	\$ NA	\$ NA	\$ 113,349	\$ 121,757	\$ 235,106
2.						
3.						
4.						
5. TOTALS		\$	\$	\$ 113,349	\$ 121,757	\$ 235,106

SECTION B — BUDGET CATEGORIES

Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
	(1) Non-Distressed	(2)	(3)	(4)	
a. Personnel	\$ 120,550	\$	\$	\$	\$ 120,550
b. Fringe Benefits	22,984				22,984
c. Travel	25,758				25,758
d. Equipment	15,220				15,220
e. Supplies	3,100				3,100
f. Contractual	1,200				1,200
g. Construction	-0-				-0-
h. Other	31,600				31,600
i. Total Direct Charges (sum of 6a-6h)	220,412				220,412
j. Indirect Charges	14,693				14,693
k. TOTALS (sum of 6i and 6j)	\$ 235,106	\$	\$	\$	\$ 235,106
l. Program Income	\$ 10,000	\$	\$	\$	\$ 10,000

Authorized for Local Reproduction

Standard Form 424A (4-88)
Prescribed by OMB Circular A-102

SECTION C - NON-FEDERAL RESOURCES				
(a) Grant Program	(b) Applicant	(c) State	(d) Other Source	(e) TOTALS
8. PTA for Business Firms (12.002)	\$ 27,257	\$ NA (State Applicant)	\$ 94,500	\$ 121,757
9.				
10.				
11.				
12. TOTALS (sum of lines 8 and 11)	\$ 27,257	\$ NA	\$ 94,500	\$ 121,757

SECTION D - FORECASTED CASH NEEDS					
	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	\$ 113,349	\$ 28,337	\$ 28,337	\$ 28,337	\$ 28,338
14. Nonfederal	121,757	30,439	30,439	30,439	30,440
15. TOTAL (sum of lines 13 and 14)	\$ 235,106	\$ 58,786	\$ 58,786	\$ 58,786	\$ 58,788

SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT				
(a) Grant Program	FUTURE FUNDING PERIODS (Years)			
	(b) First	(c) Second	(d) Third	(e) Fourth
16. PTA for Business Firms (12.002)	\$ 119,016	\$ 124,967	\$ 131,216	\$ 137,776
17.				
18.				
19.				
20. TOTALS (sum of lines 16-19)	\$ 119,016	\$ 124,967	\$ 131,216	\$ 137,776

SECTION F - OTHER BUDGET INFORMATION (Attach additional sheets if necessary)	
21. Direct Charges: \$220,412 (see attached support data)	22. Indirect Charges: \$14,693
23. Remarks Indirect cost is at 11.3% on the basis of total direct personnel and benefits per provisional rate agreement, effective 7/1/89; cognizant agency: U.S. Department of Health and Human Services	

Montana PTA Program
Budget Data Support

1) Personnel. See attached "Key Personnel" sheet for detail:	Direct:	107,050
	In-kind	13,500
	Total:	<u>120,550</u>

2) Fringe Benefits. Benefits Rates:	FICA	.07650
	Retirement	.06417
	Unemployment	.00150
	Workers Comp	.00300
	Health Insurance	.06950
	(average)	
<u>TOTAL</u>		<u>.2147</u>

Total Benefits @ 0.2147 x \$107,050 (direct salaries)	<u>22,984</u>
---	---------------

3) Travel

a. In-state Travel

- ave. no. of trips/mo = 18 @ 300 mi. ea, average	
18 x 300 x 12 = 64,800 mi. @ .21¢/mi.	13,608
- meals: 200 days @ \$14.50/day	2,900
- lodging: 100 days @ 25/day	2,500
- air travel: 6 trips @ \$150/ea/	900

IN-STATE TRAVEL SUBTOTAL

19,908

b. Out-of-state Travel

4 trips, 3 days each, to attend professional seminars by program officer (Helena)	
- food, lodging, misc. @ \$125/day x 4 x 3	1,500
- air travel @ \$450/trip x 4	1,800
2 trips, 3 days ea., professional seminars by each of two field officers	
- food, lodging, misc. @ \$125/day x 2 x 3 x 2	750
- air travel @ \$450/trip x 2 x 2	<u>1,800</u>

OUT-OF-STATE TRAVEL SUBTOTAL

5,850

TOTAL TRAVEL

25,758

4) Equipment

a. Purchases

Typewriter (Helena Office)	500
Partsmaster Optical Disk Database	<u>5,000</u>
(technical description disk omitted)	

SUBTOTAL, purchases

5,500

b. In-kind contributors (at rental value

- 4.5 office units @ \$100/mo	5,400
-desk, chair, side chair, file cabinet, bookshelf, minor office equipment	
- computer and printer, 3 units \$100/mo. ea.	3,600
-terminal, system port, CPU connect and letter-quality printer	
- fax machines, 3 units @ \$20/mo. ea.	720

SUBTOTAL, Equipment Contribution	<u>9,720</u>
TOTAL EQUIPMENT	<u>15,220</u>
5) Supplies	
- Stationery, paper supplies, consumables	<u>3,100</u>
6) Contractual	
- 2 procurement assistance seminars	
-consultant: 6 hours each @ \$50 plus expenses	<u>1,200</u>
7) Other expense	
a. In-kind contributions (at rental value)	
-office space, 4.5 units @ \$150/mo.	8,100
-meeting rooms, 3 units @100/mo	5,400
-parking spaces, 6 @ \$25/mo	<u>1,800</u>
SUBTOTAL, In-kind	<u>15,300</u>
b. -telephone	4,400
-postage	2,700
-photocopying/printing	4,400
-professional dues (program officer only)	800
-tuition/registrations	1,400
-subscriptions	800
-advertising	<u>1,800</u>
SUBTOTAL, cash costs	<u>16,300</u>
TOTAL, OTHER EXPENSE	<u>31,600</u>
8) Construction: NA	
9) Total Direct Charges	220,412
10) Indirect @ (0.113) (total of direct personnel and benefits)	
= (0.113) (130,034)	<u>14,694</u>
Indirect cost is per rate agreement, fixed rate effective	
7/1/88 to 6/30/89; provisional rate (also 11.3%) effective	
7/1/89; cognizant agency: U.S. Department of Health and	
Human Services	
11) TOTAL PROGRAM COSTS	235,106
12) Program Income	
20 seminars x 20 ave. attendance x \$25	10,000

Montana PTA Program

KEY PERSONNEL

NAME AND POSITION TITLE	ANNUAL SALARY RATE	NO. MOS. BUDG.	% TIME	TOTAL AMOUNT REQUIRED
	(1)	(2)	(3)	(4)
1. Program Officer (Helena)	25,900	12	100	25,900
2. Finance Officer (Helena)	26,400	12	10	2,640
3. Finance Officer (Helena)	26,400	12	10	2,640
4. Marketing Officer (Helena)	23,700	12	10	2,370
5. Secretary (Helena)	17,000	12	50	8,500
6. Regional Field Office (Butte/Bozeman)	24,000	12	100	24,000
7. Secretary (Butte/Bozeman)	17,000	12	50	8,500
8. Regional Field Officer (Missoula)	24,000	12	100	24,000
9. Secretary (Missoula)	17,000	12	50	8,500
*Subtotal, Direct Personal Costs				<u>107,050</u>
10. In-kind secretarial/clerical services, at circuit-riding locations (local development organization) -20 sites @ 5 hours/month - 5 sites @ 10 hours/month -total: 150 hours/month @ \$7.50/hour	7.50/hr.	12	90% FTE	13,500
Total Direct and In-kind Personnel Costs				120,550
*Fringe Benefits @ 0.2147 x 107,050				22,984
FRINGE BENEFITS (Rate <u>21.47%</u>)				
TOTAL, Personal Services & Benefits				<u>\$ 143,534</u>

*Fringe benefits (and market costs) are calculated on the basis of direct cash personnel costs, not including in-kind contributions of services.

BUDGET - SUPPLEMENTAL DATA SHEET

APPLICANT NAME: State of Montana/Business Assistance Division

PROPOSAL TITLE: DODPTACAP

Section B - Budget Categories

Line 6f. continued:

a. Amount of contracts to be awarded for Equipment, Data Services and Other Items \$ 5,000 and \$ _____.
Non-distressed Distressed (Column 6f.(2))
(Column 6f.(1))

b. Amount of contracts to be awarded for Private Consultant Services \$ 1,200 and \$.
Non-distressed Distressed
(Column 6f.(1)) (Column 6f.(2))

NOTE: The sum of the entries for 6f.(1) should equal the column 6f.(1) entry, Section B of the Budget Information form. The sum of the entries for 6f.(2) should equal the column 6f.(2) entry, Section B of the Budget Information form.

INDIRECT COST

COST CATEGORY	\$ AMOUNT
OVERHEAD	14,693
G & A	0
TOTAL INDIRECT COST	14,693

Does organization have a definitized approved rate package across the board for all grants/cooperative agreements? CHECK ONE XX YES _____ NO _____

If answered 'YES', provide rate; name of approving audit agency; and date approved. 11.3 % U.S. Dept. of Health & Human Services 7/21/88

Each cost category must be supported by a narrative justification.

Exhibit H

US WEST
COMMUNICATIONS ©

May 2, 1989

Mr. Robert Heffner
Director, Small Business Development Center
Department of Commerce
1424 9th Ave.
Helena, Montana 59620

Dear Bob,

As we discussed yesterday, US WEST will make a grant towards funding a defense procurement assistance network.

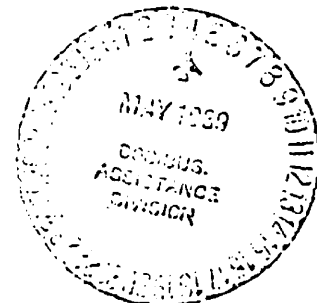
US WEST will grant \$9,000 from our Economic Development budget to help fund the network, providing the grant request to the U . S. Defense Logistics Agency is funded. I understand the project would start October 1, 1989 if the application is successful.

The project appears to have much chance for success and if started, I look forward to being of further assistance.

Sincerely,



Donald G. Hanson
Manager, Economic Development
2707 W. Main
Bozeman, Montana 59715
406-585-2333





GENERAL OFFICES: 40 EAST BROADWAY, BUTTE, MONTANA 59701 • TELEPHONE 406/723-5-21

C. DANIEL REGAN
VICE PRESIDENT, MARKETING

May 4, 1989

Mr. Bob Heffner
Director Small Business
Development Center
Business Assistance Division
Department of Commerce
1424 9th Avenue
Helena, MT 59601

Dear Bob:

This letter is a follow-up of our conversation of May 2, 1989. Montana Power Company has agreed to commit a total of \$7,000 to the cooperative agreement proposal for the Defense Logistics Agency's Procurement Technical Assistance Program. This money will be committed in two parts, \$3,500 for the remainder of calendar year 1989 and \$3,500 for the January 1, 1990 to June 30, 1990 period.

Montana Power is very pleased to be able to support this type of a program and help it become established in Montana. Thank you for your cooperation in this effort.

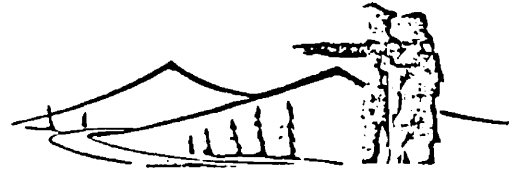
Sincerely,

A handwritten signature in dark ink, appearing to read "C. Regan", written over a circular stamp.



HEADWATERS

RC&D Development Project Area



Resource Conservation

BEAVERHEAD • DEER LODGE • JEFFERSON • GRANITE • SPOYER BOW • MADISON • POWELL
HEADWATERS RC&D OFFICE, FEDERAL BLDG., ROOM 101, 400 NO. MAIN, BUTTE, MONTANA 59701 • PH. 782-7333

May 2, 1969

Mr. Bob Heffner, Director
Small Business Development Center
Department of Commerce
1429 9th Ave.
Helena, MT 59620-0401

Dear Mr. Heffner;

The Headwaters 8 county district will raise the cash match required for the Government Procurement Assistance Center grant being proposed by your office.

We are looking forward to working with your office on this very important project.

Sincerely; *Charlie Hahnkamp*

Charlie Hahnkamp, Vice Chairman
Headwaters RC&D

HRDC

HUMAN RESOURCE DEVELOPMENT COUNCIL, INC.
BOZEMAN HOTEL, SUITE 300 • 321 EAST MAIN • BOZEMAN, MT 59715
BOZEMAN (406) 587-4486 • LIVINGSTON (406) 222-0896
GALLATIN, PARK, MADISON AND MEAGHER COUNTIES

May 4, 1989

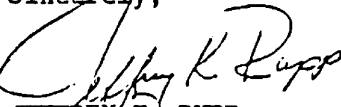
Mr. Bob Heffner, Director
Small Business Development Center
Department of Commerce
1424 9th Avenue
Helena, Montana 59620-0401

Dear Mr. Heffner,

The District IX, Human Resource Development Council, Inc., as one of the principal participants in the local regional office, here by attests to committing \$14,716 as our allowable cash match for the Procurement Systems Center (PAC).

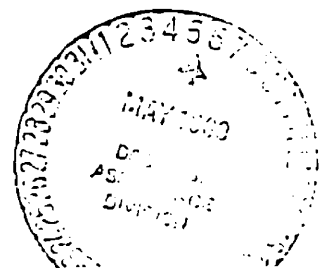
If you have any questions, please let me know. Good luck, we look forward to a successful completion of this application.

Sincerely,



JEFFREY K. RUPP
Executive Director

OKR:1mt



May 8, 1989

Mr. Bob Heffner, Director
Small Business Development Center
Department of Commerce
1424 Ninth Avenue
Helena, MT 59620

Dear Mr. Heffner:

Attached is a proposed budget to operate the Western Montana Procurement Assistance Center. The program would be managed by the Missoula Economic Development Corporation with satellite offices in Kalispell and Hamilton.

The total project cost for the operation of the PAC with a full time professional field officer, one FTE clerical position and the necessary support is \$99,993. A grant request of \$49,958 in DLA funds is requested to match our share of \$50,035 - of which \$25,225 will be cash and \$24,810 in kind.

We envision having a full time officer which would spend approximately 25% of his/her time in the Bitterroot and 25% of his/her time in the Flathead area with the balance of the activity in Missoula. Both Hamilton and Kalispell are expected to provide clerical support (25%), as well as cash of approximately \$1500/each to cover a portion of the travel and reimbursable expense within their respective areas.

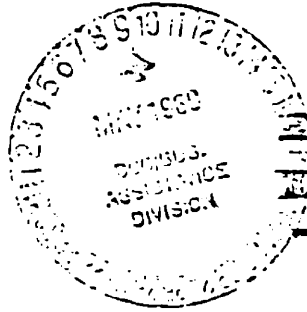
The Missoula Economic Development Corporation as the lead agency is hereby committing itself to the full amount of the matching obligation on behalf of the western Montana area.

Sincerely,

Ronald L. Klaphake
President

Enclosure





NORTH DAKOTA ECONOMIC DEVELOPMENT COMMISSION

May 5, 1989

Mr. Robert A. Heffner
Montana Department of Commerce
Business Assistance Division
1429 9th Avenue
Helena, MT 59620-0401

Dear Bob:

Please consider this letter an indication of our support for the Government Marketing Assistance Program of the Montana Department of Commerce.

The State of North Dakota through the Economic Development Commission (EDC) has aggressively engaged in assisting small businesses in marketing to the Department of Defense (DoD) for the past two and one-half years. Within that period of time, we feel we have made significant strides in assisting North Dakota businesses to successfully bid on DoD contracts. Within that period of time, the EDC has obtained a certain level of expertise with which to help clients obtain contracts from the DoD. Such resources would include various computer data bases, the electronic Commerce Business Daily, commodity listings to four hundred plus DoD buying activities, the federal acquisition regulations, the DoD federal acquisition regulations supplement, the military and federal technical specifications, etc.

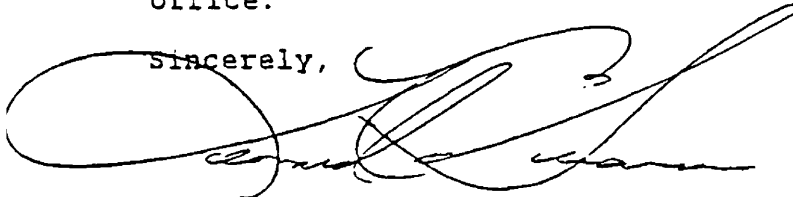
As outlined in your letter dated January 12, 1989, the EDC agrees to support and assist the Montana Department of Commerce in providing the electronic Commerce Business Daily leads to clients, matching potential DoD buying activities with Montana clients and general assistance/coordination of DoD marketing assistance with the Montana Department of Commerce. We feel the combined efforts of Montana and North Dakota will provide better assistance to business clients, thereby enabling

Page Two
Mr. Robert A. Heffner
Montana Department of Commerce
May 5, 1999

such business clients better information and greater expertise to provide the DoD with the lowest price, highest quality products and services to expand the DoD industrial base and increase competition for DoD's requirements of goods and services.

The EDC maintains an excellent working relationship with the Montana Department of Commerce. The resources and technical assistance of the North Dakota Government Marketing Assistance Program of the EDC are at the disposal of the Montana Department of Commerce and client referrals are made between the two public organizations. If there are any questions or comments, please feel free to contact our office.

Sincerely,

A handwritten signature in black ink, appearing to read 'Leonard C. Swanson', with a large, stylized loop at the beginning.

Leonard C. Swanson, Director
Procurement Technical Assistance

LCS:sjf

Grant Award Cover Sheet:

After review and acceptance by the Defense Logistics Agency, a cooperative agreement contract is signed. The following agreement defines authority and performance expectations during the term of the grant. This agreement consummates the grant process, as well as the success of this administrative situation.

COST SHARING COOPERATIVE AGREEMENT BETWEEN THE DEPARTMENT OF
DEFENSE AND the State of Montana, Department of Commerce.
Cooperative Agreement Reference Number DLA8LA-89-H-0008

1. This Cost Sharing Cooperative Agreement is entered into as of the 22nd day of September 1989 between the parties hereby identified as the Department of Defense (DoD) through the Defense Logistics Agency Associate Director of Small Business, Defense Contract Administration Services Region (DCASR) Los Angeles, 222 North Sepulveda Boulevard, El Segundo, California, 90245 hereinafter called Government, and the State of Montana, Department of Commerce, 1424 Ninth Ave, Helena, Mt 59620 a state or local government or a private non-profit organization hereinafter called recipient.

2. AUTHORITY

Chapter 142 of Title 10, United States Code, as amended, authorized the Secretary of Defense, acting through the Director, Defense Logistics Agency (DLA), to enter into cost sharing cooperative agreements to support procurement technical assistance programs established or to be established by state and local governments and private nonprofit organizations during Fiscal Year 1989.

3. DESCRIPTION OF AGREEMENT

This Agreement is entered into to assist recipients in providing marketing and technical assistance to business firms in selling their goods and services to the DoD, thus assisting the DoD in its acquisition goals and at the same time enhancing the business climate and economies of the communities being served. Accordingly, this agreement consists of these cover pages, the Solicitation For Cooperative Agreement Proposals Number 89-1, and DCASR LA-DU letter dated 22 Aug 89 requesting clarification of the applicant's proposal and the recipient's proposal dated 19 May 1989, as amended by the recipient's letter of clarification dated 23 Aug 1989.

4. RECIPIENT APPLICATION

The recipient's proposal dated 19 May 1989 in response to Solicitation For Cooperative Agreement Proposals Number 89-1, has been agreed upon by the Government and the recipient, and is made a part of this cooperative agreement program award document.

5. AGREEMENT MODIFICATION

a. This Agreement may be modified only by mutual agreement of the parties. The Agreement may be terminated in its entirety by either party upon 30 days written notice to the other party.

b. This Agreement may be terminated by the Government at any time if the recipient fails to perform in accordance with the terms of this Agreement or if the parties fail to agree upon any changes required by statute or Executive Order.

c. In the event of any inconsistency between this Agreement, the solicitation or the recipient's proposal, such inconsistency shall be resolved by giving precedence as set forth by the clause entitled 'Order of Precedence' contained in Appendix I Section H, Solicitation for Cooperative Agreement Proposals 89-1.

6. COST SHARING

The estimated annual total program_cost hereunder is _245,106 and the recipient agrees to fund 51.8 percent of this total, or \$121,757. The Government will share in this amount by funding 48.2 percent of the total program cost determined to be allowable, for a dollar amount not to exceed _\$113,349. Any increase in funding applied to the program during the effective period by the recipient will be allocated to the parties hereto based upon the share percentages set forth above, but in no event will the Government's share of the cost exceed \$113,349.

7. FEES AND SERVICE CHARGES

All fees and service charges collected by the recipient for procurement technical assistance given to clients shall be credited to the total program cost. Further, any fees and/or charges collected pursuant to executing the terms and conditions of this Agreement shall be credited against the_total budgeted program_cost.

8. ACCOUNTING AND APPROPRIATION DATA

Funds in the amount of \$113,349 against appropriation 9790100.5169 and Accounting Classification Reference Number AH: 9790100.5169 01 P910.00 41.00 S33181 OA89-870 are hereby obligated.

9. ALLOWABLE COST AND PAYMENTS

a. Notice of intent to disallow costs incurred below cooperative agreement recipient level first tier.

(1). Notwithstanding all other terms and conditions of this cooperative agreement, the Associate Director of Small Business may:

(a). At any time issue to the cooperative agreement holder a written notice of intent to disallow subcontract, subagreement and any other planned or incurred costs by the recipient which are determined not to be allowable under the terms of this Agreement.

(b). Limit the payment of costs, below the cooperative agreement recipient level (first tier), to those which implement or execute the purposes of the cooperative agreement program and which are allowable under the DoD Procurement Technical Assistance Cooperative Agreement Program as set forth by SCAP 89-1.

(2). Notwithstanding any arrangements, subcontracts and/or agreements entered into by the cooperative agreement holder with other organizations and/or contractors, the Department of Defense is not responsible for any costs incurred by the cooperative agreement holder that exceed what is allowable under the provisions of SCAP 89-1.

b. Indirect costs shall be billed at the provisional rate of 11.3 % or as negotiated by the cognizant agency listed in OMB Circular A-88 for educational institutions or as negotiated by the cognizant agency designated by OMB for state and local governments or as prescribed by OMB Circular A-122 for nonprofit organizations.

c. Upon receipt of a request for reimbursement, the Government shall make payment(s) to the recipient when requested as reimbursement, the Government shall make payment(s) to the recipient when requested as work progresses but not more often than monthly in amounts determined to be allowable by the Associate Director of Small Business in accordance with FMC 74-4 (OMB Circular A-87) for state and local governments and other participants covered by OMB Circular A-102, OMB Circular A-21 for institutions of higher education and other participants covered by OMB Circular A-110.

d. For the purpose of reimbursing allowable costs, the term costs' includes only:

(1) Those recorded costs that, at the time of the request for reimbursement, the recipient has paid by cash, check, or other form of actual payment for items or services purchased directly for this program, or

(2) When the recipient is not delinquent in paying costs of performance in the ordinary course of business and costs incurred, but not necessarily paid, it may be reimbursed for:

- (a) Materials
- (b) Direct labor
- (c) Direct travel
- (d) Other direct in-house costs
- (e) Subcontract costs

(f) Properly allowable indirect costs, as shown in the records maintained by the recipient for purposes of obtaining reimbursement under this Agreement.

e. The recipient further agrees to submit a request for reimbursement which will include a Standard Form 270 (Request for Advance or Reimbursement) [ELIMINATED THE STANDARD FORM 269] to the Associate Director of Small Business specified in paragraph 14 below.

f. The recipient agrees to furnish a final invoice in accordance with the terms of this Agreement within 120 calendar days after expiration of the effective period set forth by paragraph 12 below. The Government will not be liable for payment of Request for Advance or Reimbursement received later than 120 calendar days after the expiration of the effective period of this agreement.

g. At any time or times before final payment, the Associate Director of Small Business may have the recipient's invoices or vouchers and statements of cost audited. Any payment may be (1) reduced by amounts found by the Associate Director of Small Business not to constitute allowable costs or (2) adjusted for prior overpayments or underpayments. Further, the recipient shall maintain and the Associate Director of Small Business or its Representative shall have the right to examine and audit books, records, documents, and other evidence and accounting procedures and practices, sufficient to verify if all costs claimed to have been incurred in the performance of this Agreement are recorded therein.

10. INSTRUCTIONS FOR COMPLETING THE SF 270 (REQUEST FOR ADVANCE OR REIMBURSEMENT)

In addition to the instructions contained on the SF 270, the below indicated additional entries shall be made thereon.

a. The Cooperative Agreement Identification number shall be entered in block number 4.

b. The ACRN (see paragraph 8 above) shall be entered in the block entitled 'This space for agency use.'

11. REPORTS

a. The recipient is required to submit quarterly reports which will become due 90 days (1st quarter), 180 days (2nd quarter), 270 days (3rd quarter), and 360 days (4th quarter) after the beginning of the cooperative agreement effective period as stated in paragraph 12 below. Two copies of each report are to be submitted to the Associate Director of Small Business in the format specified by Appendix C, SCAP 89-1.

b. Quarterly reports are to be submitted not later than 20 calendar days after each due date specified in paragraph 11a above.

c. A final report using the same format as that specified for the quarterly reports is to be submitted not later than 90 calendar days after the expiration of the cooperative agreement effective period as set forth in paragraph 12 below but prior to final payment.

12. EFFECTIVE PERIOD

The period of performance covered by this agreement shall begin 01 Oct 1989 and expire 30 Sep 1990. Any reference made to the effective period of this Agreement shall include any modifications thereof.

13. EXTENDING PERIOD OF PERFORMANCE

a. The effective period of this Agreement may be extended upon agreement of parties for an additional period not to exceed twelve months providing there is no increase in the Government's share ratio.

b. Thirty [30] days prior to the expiration of the effective period of this Agreement set forth by paragraph 12 above, the Government, subject to the availability of funds, will notify the recipient in the event it intends to extend the effective period.

14. POST AWARD ADMINISTRATION

The Associate Director of Small Business, DCASR Los Angeles, has responsibility for administration of this Agreement. The mailing address for all correspondence is:

DCASR Los Angeles
ATTN: Associate Director of Small Business
222 North Sepulveda Boulevard
El Segundo, CA 90245-4320

15. AWARD


a. The Solicitation for Cooperative Agreement Proposals (SCAP), and the recipient's Proposal dated 19 May 1989 as provided for by paragraph 3 (Description of Agreement) above is are made part of this Agreement.


b. The recipient, by accepting this Agreement, agrees to provide the services specified by the solicitation and the recipient's proposal in accordance with terms and conditions sets forth therein.

c. To complete the transaction, the recipient shall return five (5) two (2) signed copies of this Cooperative Agreement to the issuing office. A countersigned copy of this Agreement will be returned to the recipient, upon execution by the issuing office.

d. Recipient Acceptance:

Issuing Office
Acceptance


MICHAEL LETSON
Director
State of Montana
Department of Commerce
1424 Ninth Ave.
Helena, MT 59620
Date: 9-29-89


E. RENEE DEAVENS
Associate Director
of Small Business
Date: 29 Sep 89

Bibliography

Commerce Clearing House. 1989. United States Master Tax Guide, p. 190. Chicago: Commerce Clearing House.

Department of Labor and Industry. 1989. Statistics in Brief, Helena: Montana Department of Labor and Industry.

Bureau of Census. 1986. County Business Patterns, Washington D.C.: U.S. Department of Commerce.